

AGENDA ITEM # 8.C.
DATE: January 12, 2004
COAC NUMBER: 03-1958

**CITY OF GOODYEAR
CITY COUNCIL ACTION FORM**

SUBJECT: Council approve contract with Paul Hendricks dba EUSI for project management for the design/build of the Rainbow Valley Water Reclamation Facility

STAFF PRESENTER: Cato Esquivel, Jr.
COMPANY EUSI, Inc.
CONTACT: Paul Hendricks

RECOMMENDATION:

Council authorize City Manager to award a contract in the amount of \$260,800.00 to Paul Hendricks, dba EUSI to provide project management for the design/build of the Rainbow Valley Water Reclamation Facility (RVWRF).

COMMUNITY BENEFIT:

The coordination of all necessary project delivery efforts related to the design/build of the RVWRF will be managed by one entity. This will eliminate multiple entities providing overlapping services at City cost.

DISCUSSION:

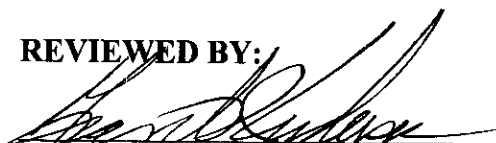
Located north of Pecos Road and east of Rainbow Valley Road, the first phase of the RVWRF will add 0.75 million gallons per day (MGD) to our existing service area capacity of 0.80 MGD.

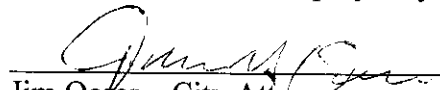
The City of Goodyear has negotiated a master development agreement with SunChase that includes provisions for an alternative delivery system to complete the facility as a Design/Build (DB) delivery option. The DB delivery system is well suited to deliver a high quality, economic design within the time frame for facility construction. The advantages of the DB delivery option are significant compared to the more traditional method of an engineer designing the facility, and a different contractor doing the actual building. Having one project manager to oversee all aspects of the design/build and report directly to the City will lower costs and increase overall efficiency while at the same time maintain continuity between Archer Western Contracting and the City. The City does not have staff to provide project management for this project.

FISCAL IMPACT

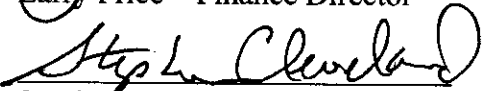
The RVWRF is a capital improvement project for FY 03-04 funded by SunChase. An agreement was reached that allows for SunChase to provide funding for this project. This agreement was approved by Council on December 8, 2003, COAC # 03-1854. One-time costs associated with the project management for RVWRF will be funded by SunChase under the original agreement, through monthly pass-through cost invoicing. This will result in no cost to the City.

REVIEWED BY:


Grant I. Anderson – Deputy City Manager



Jim Oeger – City Attorney


Larry Price – Finance Director


Stephen S. Cleveland, City Manager

PREPARED BY:


Martie Polk, Utilities Staff Assistant


Cato Esquivel, Jr., PW Director

CONTRACT FOR OPERATIONAL CONSULTING SERVICES
Project No: 2003014
Project Management for Rainbow Valley Water Reclamation Facility

THIS CONTRACT is made and entered into on the 12th day of January, 2004, by and between the City of Goodyear, hereinafter called City, and Paul Hendricks, dba EUSI, whose address is: 19002 North 21st Avenue, Phoenix, AZ 85027, hereinafter called the CONSULTANT.

The CITY engages the CONSULTANT to perform services for the Design/Build Rainbow Valley Water Reclamation Facility project described above, hereinafter called the "Project".

SECTION I – SERVICES OF THE CONSULTANT

The CONSULTANT shall perform the following operational consulting and utility management services to CITY standards and in accordance with the degree of care and skill that a professional in Arizona would exercise under similar conditions:

- A. The CONSULTANT shall perform project management including, but not limited to, all necessary review of; project scheduling, budget monitoring; design/builder management; construction administration; and review the coordination of required project delivery efforts relating to the Rainbow Valley Water Reclamation Facility Design/Build Project.
- B. The CONSULTANT shall perform all program management including, but not limited to, ongoing reviews; and assistance and consultation as directed by the CITY. Work will include research, documentation, written and verbal recommendations and correspondence relating to the Rainbow Valley Water Reclamation Facility Design/Build Project.
- C. The CONSULTANT shall perform all public administration including, but not limited to, assistance, research, documentation, composition, presentations, and general consultant services as directed by the CITY relating to the Rainbow Valley Water Reclamation Facility Design/Build Project..

SECTION II – PERIOD OF SERVICE

- A. The CONSULTANT shall complete all services as described in Section I, paragraph A-C, and as detailed in Exhibit A, within 549 calendar days of the "Notice to Proceed" for construction. In the event delays are experienced beyond the control of the CONSULTANT, the schedule may be revised as mutually agreed upon by the CITY and the CONSULTANT.

SECTION III – CONSULTANT'S COMPENSATION

- A. The method of payment for Section I. A-C and Exhibit "A" of this Contract shall be hourly, not to exceed \$241,800.00. Expenses shall not exceed \$19,000.00. Total compensation for the services performed shall be the sum of \$260,800.00 except as modified through approved adjustments.
- B. The CITY shall pay the CONSULTANT in installments based upon monthly progress reports and detailed invoices submitted by the CONSULTANT subject to the following limitations:
 - 1. If the scope of work of this Contract includes Construction Administration services such as, shop drawing review, contract document interpretation, resident inspection, etc., shall be paid for based on the completed services.
- C. The CITY at its discretion may, by written notification, waive the above limitations.
- D. The CITY shall make payments to the CONSULTANT within thirty (30) days after receipt of the progress report and detailed invoice.

SECTION IV – THE CITY'S RESPONSIBILITIES

- A. The CITY shall designate a CITY Representative during the term of this agreement. The CITY has the authority to administer this contract and shall monitor compliance with all terms and conditions stated herein. All requests for information from or a decision by the CITY on any aspect of the work shall be directed to the CITY Representative.
- B. The CITY shall review submittals by the CONSULTANT and provide prompt response to questions and rendering of decisions pertaining thereto, to minimize delay in the progress of the CONSULTANT'S work. The CITY will keep the CONSULTANT advised concerning the progress of the CITY'S review of the work. The CONSULTANT agrees that CITY'S inspection, review, acceptance or approval of CONSULTANT'S work shall not relieve CONSULTANT'S responsibility for negligence of CONSULTANT or its subcontractors.
- C. Unless included in the CONSULTANT'S Work Scope, the CITY shall furnish the CONSULTANT gratis, the following information or services for this Project:
 - 1. One copy of its maps, records, laboratory tests, survey ties, and bench marks, or other data pertinent to the services. However, the CONSULTANT shall be responsible for searching the records and requesting specific drawings or information and independently verifying said information. CITY does not warrant, express or implied, the data supplied to CONSULTANT.
 - 2. Available City data relative to policies, regulations, standards, criteria, studies, etc., relevant to the Project.

3. When required, title searches, legal descriptions, detailed ALTA Surveys, and environmental assessments to the end that the CITY may proceed with the right of way acquisition.

SECTION V – INSURANCE

Without limiting any of their obligations or liabilities, the CONSULTANT, at his own expense, shall purchase and maintain the minimum insurance specified below with companies duly licensed or otherwise approved by the State of Arizona, Department of Insurance, and in form reasonably satisfactory to the CITY. Each insurer shall have a current A.M. Best Company, Inc. rating of not less than A- and a category rating of not less than "8." Use of alternative insurers requires prior approval from CITY. Insurance provided by CONSULTANT shall be primary.

A. General Clauses

1. **Additional Insured.** The insurance coverage, except Workers' Compensation and in Liability, required by this contract, shall name the CITY, its agents, representatives, directors, officials, employees, and officers, as additional insured.
2. **Coverage Term.** All insurance required herein shall be maintained in full force and effect until Services required to be performed under the terms of the Contract are satisfactorily completed and formally accepted; failure to do so may constitute a material breach of this Contract, at the sole discretion of the CITY.
3. **Primary Coverage.** The CONSULTANT's insurance, except Worker's Compensation and Liability, shall be primary insurance as respects CITY and any insurance or self insurance maintained by CITY shall be excess of the CONSULTANT'S insurance and shall not contribute to it.
4. **Claim Reporting.** Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect CITY.
5. **Waiver.** The policies, except Workers' Compensation and Liability, shall contain a waiver of transfer rights of recovery (subrogation) against CITY, its agents, representatives, directors, officers, and employees for any claims arising out of the work of the CONSULTANT.
6. **Deductible/Retention.** The policies may provide coverage which contain deductibles or self insured retentions. The CONSULTANT shall be solely responsible for deductible and/or self insured retentions. The CONSULTANT shall, if required by the City, be required to post a performance bond equal to the deductible or self insured retention level.
7. **Certificates of Insurance.** Prior to commencing services under this Contract, CONSULTANT shall furnish CITY with Certificates of Insurance, or formal

endorsements as required by the Contract, issued by CONSULTANT'S insurer(s), as evidence that policies providing the required coverages, conditions, and limits required by this Contract are in full force and effect. Such certificates shall identify this Contract number and shall provide for not less than thirty (30) days advance Notice of Cancellation, Termination, or Material Alteration. Such certificates shall be sent directly to Dean Coughenour, Risk Management Department, City of Goodyear, 190 N Litchfield Road, PO Box 5100, Goodyear, Arizona 85338.

B. Workers' Compensation

The CONSULTANT shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over CONSULTANT employees engaged in the performance of the Services..

In case services are subcontracted, the CONSULTANT will require the Subconsultant to provide Workers' Compensation and Employer's Liability to at least the same extent as provided by CONSULTANT.

C. Automobile Liability

Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damages of not less than \$1,000,000 each occurrence, regarding any owned, hired, and non-owned vehicles assigned to or used in performance of the CONSULTANT services. Coverage will be at least as broad as coverage Code 1 "any auto" (Insurance Service Office policy form CA 0001 1/87 or any replacement thereof).

D. Commercial General Liability

Commercial General Liability insurance with unimpaired limit of not less than \$1,000,000, for each occurrence and \$2,000,000 in the aggregate. The policy shall include coverage for bodily injury, property damage, personal injury, products and contractual covering, but not limited to, the liability assumed under the indemnification provisions of Section IX.B of this Contract which coverage will be at least as broad as Insurance Service Office policy form CG 001 1-11-88 or any replacement thereof. The certificate of insurance for the Commercial General Liability insurance policy shall expressly cover CONSULTANT'S obligation of indemnification required in Section IX of this agreement.

A general liability insurance policy may not be written on a "claims made" basis.

E. Liability

The CONSULTANT retained by the CITY, to provide the operational consulting and utility management services required by the Contract will maintain Liability insurance covering negligent acts arising out of the services performed by the CONSULTANT or any person employed by him, with a limit of not less than \$1,000,000 each claim and \$2,000,000 in the aggregate, or 10% of the construction budget, whichever is larger. The certificate of

insurance for the Liability Insurance shall expressly cover CONSULTANT'S obligation of indemnification required in SECTION IX of this Contract.

In case services are subcontracted, the CONSULTANT shall require each Subconsultant to secure and maintain Professional Liability Insurance, if registered engineering services are provided by that subconsultant, sufficient for the protection of the portion of the work by such subconsultant on the same basis as above. The compilation of the total required insurance coverage under this paragraph shall remain the responsibility of CONSULTANT.

F. Umbrella/Excess Liability

Umbrella/Excess Liability insurance with an unimpaired limit of not less than \$5,000,000 per occurrence combined limit Bodily Injury and Property Damage, that "follows form" and applies in excess of the Commercial General Liability, Automobile Liability, and Employer's Liability, as required above.

G. Valuable Papers

Valuable Papers insurance sufficient to assure the restoration of any documents, memoranda, reports, or other similar data relating to the services of the CONSULTANT used in the completion of this contract.

SECTION VI – OWNERSHIP OF DOCUMENTS

All work products (electronically or manually generated) including but not limited to plans, specifications cost estimates, tracings, studies, design analyses, original mylar drawings, computer aided drafting and design (CADD) file diskettes which reflect all final drawings, and other related products which are prepared in the performance of this Contract are to be and remain the property of the CITY and are to be delivered to the CITY upon final payment to the CONSULTANT. The CITY shall retain ownership of these original drawings and supply the CITY with reproducible mylar. He/she shall endorse by his/her professional seal on all engineered plans furnished by him/her. In the event these documents are used for another project without further consultations with the CONSULTANT, the CITY agrees to indemnify and hold the CONSULTANT harmless from any claim arising from the reuse of the documents. The CITY shall remove the CONSULTANT's seal and title block from such documents.

SECTION VII – CONFLICT OF INTEREST

The CONSULTANT agrees to disclose any financial or economic interest with the Project property, or any property affected by the Project, existing prior to the execution of this Contract. Further, the CONSULTANT agrees to disclose any financial or economic interest with the Project property, or any property affected by the Project, if the CONSULTANT gains such interest during the course of this Contract. If the Consultant gains financial or economic interest in the Project during the course of this Contract, this may be grounds for terminating this Contract. Any decision to terminate the Contract shall be at the sole discretion of the CITY.

The CONSULTANT shall not engage the services on this CONTRACT of any present or former CITY employee who was involved as a decision maker in the selection or approval processes, or who negotiated and/or approved billings or contract modifications for this CONTRACT, without permission of the City.

The CONSULTANT agrees that it shall not perform services on this Project for the general contractor, subcontractor, or any major equipment suppliers.

The CONSULTANT shall not negotiate, contract, or make any agreement with the general contractor, subcontractor, or any supplier with regard to any of the work under this Project, or any services, equipment or facilities to be used on this Project, without permission of the City.

SECTION VIII – COVENANT AGAINST CONTINGENT FEES

The CONSULTANT affirms that he has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT to solicit or secure this Contract, and that he has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of the Contract. For breach or violation of this clause, the CITY may terminate this Contract without liability, or in its discretion may deduct from the Contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage brokerage fee, gift, or contingent fee.

SECTION IX – INDEMNIFICATION

- A. **For Liability:** CONSULTANT shall be responsible for the completeness and accuracy of CONSULTANT'S (which shall include work performed on behalf of CONSULTANT by CONSULTANT'S employees, subcontractors and subconsultants) work, work product, supporting data and special provisions prepared or compiled by it, or under its supervision, for this Project. CONSULTANT represents the work product it provides for the Project will be fit for their intended purpose. CONSULTANT agrees that it shall be liable and responsible for all negligent acts relative to its (and its employees, subcontractors and subconsultants) services, and agrees that it shall be liable and responsible for costs of the Project caused by such negligence. CONSULTANT agrees to indemnify, and hold harmless the City against all damages, losses, claims or expenses incurred by the General Contractor for the Project Management caused by, arising out of, or alleged to arise out of, the negligent work product provided by CONSULTANT. It is the intent of the parties that CONSULTANT shall indemnify, and hold harmless the City even in those instances where it is alleged that City was negligent or at fault in reviewing, accepting or approving the CONSULTANT'S (and its employees, subcontractors and subconsultants) work product. It is further the intent of the parties that Goodyear will not be indemnified, or held harmless by CONSULTANT if Goodyear directed the CONSULTANT to include in the work product the element(s) which is the basis for any such suit, action or claim and the CONSULTANT recommended, in writing, that such element(s) not be included in the work product.

- B. Personal Injury and Property Damage Claims:** (workers' compensation and employers liability, automobile liability, general liability, D&O, pollution, aircraft, etc): The CONSULTANT agrees to indemnify, and hold harmless the City (including its officers, agents and employees), from all suits (including attorney's fees and costs of litigation), actions, loss, damage, expense, costs or claims, of any character or any nature, attributable to bodily injury, sickness, disease, death, or injury to or destruction arising out of, or alleged to arise out of, any negligent act, omission or work done by CONSULTANT (and its employees, subcontractors and subconsultants) in fulfillment of the terms of this contract or on account of any negligent act, claim or amount giving rise to a recovery under Workmen's Compensation Law, or arising out of the failure of the CONSULTANT (and its employees, subcontractors or consultants) to conform to applicable and appropriate statutes, ordinances, regulations, law court decree or professional standards. It is the intent of the parties to this contract that the City shall be indemnified, and held harmless by CONSULTANT even in those instances where it is alleged that the City was negligent or at fault in reviewing, accepting or approving the plans, specifications or work product provided by CONSULTANT for the Project. It is further the intent of the parties that Goodyear will not be indemnified, or held harmless by CONSULTANT if Goodyear directed the CONSULTANT to include in the plans, specifications or work product the element(s) which is the basis for any such suit, action or claim and the CONSULTANT recommended, in writing, that such element(s) not be included in the plans, specifications or work product. It is agreed that, in those situations where CONSULTANT is obligated to indemnify, and hold harmless the City, the CONSULTANT will be responsible for primary loss investigation, defense and judgment costs. In all other situations, each party will be responsible for its own primary loss investigation, defense and judgment costs.

SECTION X – DISPUTE RESOLUTION

A dispute resolution process will be utilized to resolve questions of fact during the course of this Contract. The final determination of the dispute resolutions process will be made by the City.

SECTION XI – TERMINATION

The CITY, at its sole discretion, may terminate this Contract for convenience or abandon any portion of the Project for which services have not been performed by the CONSULTANT, upon fourteen (14) days written notice delivered to CONSULTANT written notice delivered to CONSULTANT personally or by certified mail at Paul Hendricks, dba EUSI, 19002 North 21st Avenue, Phoenix, AZ 85027.

Promptly after receiving such notice, the CONSULTANT shall discontinue advancing the services under this Contract and proceed to close said operations under this Contract. The CONSULTANT shall appraise the services he has completed and submit his appraisal to the CITY for evaluation. The CITY shall have the right to inspect the CONSULTANT's work to appraise the services completed.

CONSULTANT shall deliver to the CITY all drawings, special provisions, field survey notes, reports, estimates and any and all other documents or work product generated by the CONSULTANT under the contract, entirely or partially completed, together with all unused materials supplied by the CITY upon payment in full for all services satisfactorily performed. In no event shall CONSULTANT be responsible for any use of partially completed documents or work product by the CITY or any other third party.

In the event of such termination or abandonment, the CONSULTANT shall be paid for services performed prior to receipt of said notice of termination including reimbursable expenses then incurred. If the remuneration scheduled hereunder is based upon a fixed fee or definitely ascertainable sum payable shall be proportionate to the percentage of services completed by the CONSULTANT based upon the scope of work set forth in Exhibit A, and shall be agreed upon mutually by the CONSULTANT and the CITY. However, in no event shall the fee exceed that set forth in Section II of this agreement. In addition, CONSULTANT shall be reimbursed for its reasonable expenses incurred in effecting the termination or abandonment.

The CITY shall make final payment within thirty (30) days after the CONSULTANT has delivered the last of the partially completed items.

In the event this agreement is terminated, the City shall have the option of completing the work, or entering into an agreement with another party for the completion of the work according to the provisions and agreements herein.

This Agreement is subject to the provisions of A.R.S. Section 38-511 and may be canceled, without penalty or further obligation, by City if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the City is, at any time while the agreement or any extension of the agreement is in effect, an employee, consultant or agent of CONSULTANT in any capacity with respect to the subject matter of the agreement.

SECTION XII – ADDITIONAL SERVICES

Additional services, which are outside the scope of basic services contained in this agreement, shall not be performed by the CONSULTANT without prior written authorization from the CITY. Additional services, when authorized by an executed Contract or an Amendment to the Services Contract shall be compensated for by a fee mutually agreed upon between the City and the CONSULTANT.

SECTION XIII – SUCCESSORS AND ASSIGNS

This Contract shall not be assignable except at the written consent of the parties hereto and it shall extend to and be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

SECTION XIV – SPECIAL PROVISIONS

The Consultant shall use the standard of care in its profession to comply with all Federal, State, and local laws and ordinances that the CONSULTANT reasonably deems applicable at the time the work is performed, and will not discriminate against any person on the basis of race, color, or national origin in the performance of this Contract, and shall comply with the terms and intent of Title VI of the Civil Rights Act of 1964, P.L. 88-354.

The Consultant further agrees to insert the foregoing provisions in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials. Any violation of such provisions shall constitute a material breach of this Contract.

This Contract shall be in full force and effect only when it has been approved by the City Council of the City of Goodyear, Arizona, and when executed by the duly authorized City officials and the duly authorized agent of the CONSULTANT.

SECTION XV - SEVERABILITY

If any part of this agreement is found by a court to be unenforceable, the remaining provisions shall, nonetheless be enforceable to the extent allowed by law.

CITY OF GOODYEAR

By _____

Title

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CONSULTANT

By Paul Hendricks

Paul Hendricks

ATTEST:

Name

Title

EXHIBIT A

PM SCOPE OF SERVICES

Paul Hendricks, dba EUSI, hereinafter referred to as the CITY Project Manager (PM) shall perform the Services described in this Exhibit.

A. Project Description

The Project for which the City has contracted the services of PM is described as follows:

Project Name: Rainbow Valley Water Reclamation Facility

Project No.: 2003014

Phased Project: Phase 1

Type of Project: Water Reclamation Facility with initial capacity of 0.75 million gallons per day (MGD).

Project Description: Project provides for design/build construction of a new water reclamation facility located at Rainbow Valley Road and Pecos Road in Goodyear, AZ. The PM will provide full project management duties.

Milestones/Schedule:

- | | |
|------------------------|----------------------------|
| a) Bid Opening: | August 6, 2003 |
| b) Construction Phase: | Complete by: December 2004 |

Construction Estimate: \$ 6,000,000

1. CONSTRUCTION PHASE

1.1 Project Management

1.1.1 Pre-Construction Conference: In consultation with City and Project Designer, PM shall conduct a Pre-Construction Conference during which PM shall review the Project organization, communication protocols, security, responsibilities and other general project procedures and other matters set forth in the Contract documents.

1.1.2 On-Site Management and Construction Phase Communication Procedures: PM shall review and monitor construction/contract administration, to be City's representative, and to monitor coordination and communication procedures among PM, City, Project Designer and Contractor. Review of Construction observations for the Project shall be performed by personnel of PM with sufficient expertise to determine whether the construction is proceeding in accordance with the Construction Contract Documents. Construction observation shall be under the direct supervision of the Contractor and an engineer(s) registered in the State of Arizona and

qualified to perform this work. PM shall comply with and have sufficient trained personnel to meet the schedule and man-hour requirements of the project.

1.1.3 Construction Administration Procedures: PM, with input from Project Designer, shall review, establish and implement procedures for expediting and processing requests for information; review and approval of shop drawings, material and equipment sample submittals, contract schedule adjustments; change orders; material and equipment substitution requests; and payment requests. PM shall review establish and maintain logs for tracking all relevant information related to the above. PM shall review daily job reports. As City's representative at the construction site, PM shall be the party to whom requests for information, submittals, Contractor schedule adjustments, substitution requests, change order requests and payment applications shall be submitted, processed, approved, and returned to Contractor.

1.1.4 Construction Observation: PM shall review, establish and implement a program to observe and monitor the quality of the construction. The purpose of the program shall be to identify defects and deficiency in the work of the Contractor. While PM shall not be responsible for construction means, methods, techniques, sequences and procedures employed by the construction contractor in the performance of its contract, PM shall nevertheless advise City whether the construction means, methods, techniques, sequences or procedures will delay the work or cause a defect in the work. PM may from time to time, issue work directives, or field orders, which consist of minor changes in the work not involving an adjustment in the Contract Sum or the Contract Time, but consistent with the overall intent of the Contract Documents. PM is authorized to reject work and transmit to City and Contractor a notice of nonconforming work when the Work does not conform to the requirements of the Contract Documents. PM is not authorized as a part of this service to change, revoke, alter, enlarge, relax or release any requirements of the Contract Documents or to approve or accept any portion of the Work not performed in accordance with the Contract Documents. No action taken by PM shall relieve the Contractor from his obligation to perform his work in strict conformity with the Contract Documents and in strict conformity with all applicable laws, rules and regulations.

1.1.5 Construction Surveying: PM shall review construction surveying consisting of providing construction stakes establishing line and grade for roadwork, curbs, gutters, sidewalks, structures and centerlines for utilities and necessary appurtenances as he may deem necessary and will furnish the contractor with all necessary information related to the lines and grades.

1.1.6 Construction Quality Assurance (Testing): PM shall review testing to ensure that materials used in the construction of the various items are adequate and to ensure that proper compaction is provided in accordance with MAG Standard Provisions and the Special Provisions. Test frequency will be review by the PM referring to MAG requirements or requirements in the Special Provisions. Test reports will be provided to the City and the contractor as required. Technical inspection special inspections required in the Contract Documents per IBC, and testing provided by the contractor or others shall be directed, scheduled, and monitored by PM. PM shall be provided a copy of all inspection and testing reports on the day of the inspection or test or within a reasonable time period. In the event of a failed test, re-testing will be performed as directed in the Contract Documents.

1.1.7 Design Changes: Any decision or action related to the design or engineering of the Project shall be referred to the Project Designer for action. No change in the design documents shall be made without written approval of the Project Designer.

1.1.8 Project Site Meetings: PM shall conduct bi-weekly or more coordination meetings at the Project site with the Contractor, City and the Project Designer, (if provided for in the Agreement between City and the Project Designer). PM shall review record, transcribe and distribute minutes to all attendees, City and Project Designer.

1.1.9 Review of Requests for Changes to the Contract Time and Price: PM shall review with Project Designer the contents of requests for changes to the contract work, time or price submitted by a Contractor, assemble information concerning the request to determine the cause of the requests and make recommendations to City with respect to acceptance of the requests. Any change affecting the design must first be approved by Project Designer. PM will implement City's decisions regarding all requests for changes. All changes to the Agreement between City and Contractor shall be only by change orders executed by City.

1.1.10 Record Drawings, Operation and Maintenance Materials: As required by the Contract Documents, PM shall receive from the Contractor As-Built record drawings, operation and maintenance manuals, warranties and guarantees for materials and equipment installed on the Project, and review such documents for completeness and submit documents to City. Upon completion of the construction work, PM shall review the as-built drawings on original mylars provided by the Project Designer. PM's shall review design engineer's record drawings and as-builts, shall be the responsible engineer(s) for purposes of certifying the as-built drawings. "Certify the as-built drawings" means the as-built drawings will be signed, sealed and dated by engineer(s) registered in the State of Arizona in his field of competence. In addition, if the Project requires certification by Maricopa County Environmental Services Department or the Arizona Department of Environmental Quality, PM shall review such certification.

1.1.11 Substantial and Final Completion: In consultation with the Project Designer and City's inspectors (when applicable), PM shall review the Contractor's request for substantial completion and final completion and recommend to City when the Project and the Contractor's Work has achieved substantial and final completion. PM shall, prior to allowing the issuing of a Certificate of Substantial Completion, review a compiled list of incomplete work or work that does not conform to the Contract Documents (punch-list items) based on his observations and input from the Project Designer and City's inspectors (when applicable). This list shall be attached to the Certificate of Substantial Completion. The Certificate of Final Completion shall not be issued until the incomplete work has been completed and the City is ready to accept the Project. PM shall review the issuance of the Certificate of Substantial Completion and Certification of Final Completion to the Contractor.

1.1.12 Project Close-out:

1.1.12.1 Within five (5) days of the receipt of Contractor's request for a punch list, PM shall review a punch list inspection report or inform Contractor that the work is not ready for punch

list inspection. Upon completion of the deficient work, Contractor may again request a punch list inspection.

1.1.12.2 PM shall notify Contractor in writing of any deficiencies to be remedied prior to final acceptance by written punch-list. Final acceptance shall not be given until the punch-list items are completed in accordance with the Contract Documents. No one is authorized to amend the Contract Documents by use of the punch list, which is solely for the benefit of Contractor to enable him to determine what items must be corrected before final acceptance will be recommended by the PM.

1.1.12.3 After all work has been completed, as determined by PM, PM shall recommend in writing to City that final acceptance of the entire work be made as of the date of PM's final inspection. This recommendation will follow the submittal of the required documents by the General Contractor and Design Engineer.

1.1.12.4 Simultaneously with Contractor's request for final payment, Contractor is required to submit the following items to PM: (1) as-built drawings; (2) warranties; (3) three sets of documentation covering the operation and maintenance of the landscape irrigation equipment and controls and all other equipment required to be furnished with such manuals; (4) other items required by the Special Conditions. No recommendation shall be made for final acceptance until these items have been received and are complete.

1.1.12.5 Final Payment: PM shall provide to City a written recommendation regarding final payment to the Contractor. A final change order, if applicable, shall be prepared by the Contractor, reviewed and approved by the PM, with a recommendation for approval by the City. PM's recommendation for final payment shall take into account the Contract Sum, as adjusted by any change orders, amounts already paid, and sums to be retained for incomplete work, liquidated damages, and for any other cause under the Contract Documents. PM shall review a statement of final inspection, stating that the work has been given a final inspection, that Contractor has submitted the required documents, setting forth with detail any deviations in the work as completed, and estimating the cost of correction of such deviations. The statement shall be transmitted to City along with Contractor's request for final payment. PM shall provide a copy of the statement of final inspection and PM's estimate of the sum due to Contractor.

1.2 Time Management

1.2.1 Project Schedule: PM shall review adjusted and updated Project Schedule and distribute copies to City and Project Designer. Recommendations for such adjustments to the Project Schedule shall be made to City, and upon City's approval shall be incorporated by PM.

1.2.2 Contractor's Construction Schedule: PM shall review the Contractor's Construction Schedule and shall verify that the schedule is prepared in accordance with the requirements of the Contract Document and that it establishes completion dates that comply with the requirements of the Contract Documents. If changes in the Project Schedule are appropriate, PM monitor such modifications as approved by City.

1.2.3 Construction Schedule Reports: PM shall, on a monthly basis and at the time of Contractor's pay application, review the progress of construction, shall evaluate the percentage complete of each construction activity as indicated in the Contractor's Construction Schedule and shall review such percentages with the Contractor. This evaluation shall serve as data for input to the periodic Construction Schedule Report that shall be prepared and distributed to City. The Report shall indicate the actual progress compared to scheduled progress and shall serve as the basis for the progress payments to the Contractor. PM shall advise and make recommendations to City concerning the alternative courses of action that City may take in its efforts to achieve contract compliance by the Contractor.

1.2.4 PM Review of Time Extension Requests: Prior to the issuance of change orders, PM shall advise City as to the effect Contractor's requests for time extensions will have on the Project Schedule.

1.2.5 Recovery Schedules: Where Construction Schedule delays are encountered, Contractor shall submit, and PM shall review the recovery schedule submitted for compliance with the Contract Documents. Any delays that may affect the Project Schedule shall be reported to City.

1.3 Cost Management

1.3.1 Schedule of Values: The Construction Contractor's Construction Schedule shall have the total contract price allocated among the Contractor's scheduled activities so that each of the Contractor's activities shall be allocated a price and the sum of the prices of the activities, all equal to the total contract price ("Schedule of Values"). In a unit price contract with lump sum items, a schedule of values shall be provided for all major lump sum items. PM shall review the contract price allocations and verify that such allocations are made in accordance with the requirements of the Contract Documents. Progress payments to the Contractor shall be based on the Contractor's percentage of completion of the scheduled activities as set out in the Construction Schedule Reports and the Contractor's compliance in accordance with the Contract Documents.

1.3.2 Change Order Control: PM, with input from the CITY, shall establish and implement a change order control system. All proposed change orders shall first be described in detail by PM, with the assistance of the CITY when necessary, in a request for a proposal to the Contractor, and shall be accompanied by technical drawings and specifications prepared by the CITY, when required. In response to the request for a proposal, the Contractor shall submit to PM for evaluation detailed information concerning the cost and time adjustments, if any, as may be necessary to perform the proposed change work order. PM shall discuss the proposed change order with the Contractor and determine the Contractor's basis of the cost and time impacts of performing the work. PM shall make recommendations to City on acceptability of the change in the work, prior to City's execution of change orders. PM shall verify that change order work and adjustments of time, if any, required by approved change orders have been incorporated into the Contractor's Construction Schedule, the Project Schedule, and the Construction Budget. No change in the design shall be made without written approval of the Project Designer.

1.3.3 Change Order Pricing and Verification: If a Change Order provides for an adjustment to the Contract Sum, the cost of the change in the work shall be made as prescribed in the Contract Documents.

1.3.3.1 Where a unit price is contained in the Bid Schedule and agreed to by PM and Contractor, or when a unit price or lump sum is mutually agreed upon for the change in the work, the PM shall make recommendation to the City. City and Contractor shall execute a Change Order, prior to proceeding with the change in the work, unless an emergency situation exists.

1.3.3.2 Where a change in work is to be performed on a Cost Plus basis, an estimate of the work shall be prepared by the Contractor and reviewed by PM. With City approval, and based on recommendation from PM, PM's Project Representative shall direct the Contractor, in writing, to proceed with the change in the work.

1.3.3.3 In addition to receiving the required information from the Contractor documenting time, materials, equipment, and sub-contractors employed to complete the change of work, PM shall personally monitor and record work effort involved in the change of work. PM and Contractor shall confer on a daily basis as needed, and come to a mutual agreement on the time, materials, equipment, and sub-contractors' cost that day. As stipulated in the Contract Documents, final cost of the change in the work shall be reflected and formalized in a Change Order, signed by both City and Contractor.

1.3.3.4 Should negotiations break down between PM and Contractor over the cost of the change in the work, PM, with City approval, shall be authorized to seek bids and have the work performed by another contractor.

1.3.4 Progress Payments: PM shall review the payment applications submitted by the Contractor and determine whether the amount requested reflects the progress of the Contractor's work. PM shall make appropriate adjustments to each payment application and shall provide and forward to City a Progress Payment Report. The Report shall state the total contract price, payments to date, current payment requested, retainage and actual amounts owed for the current period. Included in this report shall be a Certificate of Payment that shall be signed by PM and delivered to City. The issuance of a Certificate of Payment by PM shall constitute a representation by PM to City, based on PM's observations and inspections at the site and on the data comprising the Contractor's application for payment, that the work has progressed to the point indicated; that, to the best of PM's knowledge, information and belief, the quality of the work is in accordance with the Contract Documents, subject to an evaluation of the work for conformance with the Contract Documents upon Substantial Completion, and to the results of any subsequent tests required by or performed under the Contract Documents, to minor deviations from the Contract Documents correctable prior to completion, and to any specific qualifications stated in the application for payment; and that the Contractor is entitled to payment in the amount certified.

1.4 Contractor's Safety Program Report: PM shall verify that a copy of Contractor's safety program is available at the job site, as required in the Contract Documents. PM shall not be responsible for or have any liability in whole or in part for Contractor implementation of or

compliance with Contractor safety programs and safety laws, regulations, etc., nor shall PM be responsible for the adequacy, or completeness, of Contractor Safety Programs or the Contractor's compliance and performance thereof. PM has no responsibility for review of safety programs; however, if PM observes a violation of the Construction Contractor's safety program, he shall immediately notify the Construction Contractor and the City's Representative of the violation and if the violation is not immediately cured, the PM/PM shall issue a stop work order until the violation ceases.

2. POST-CONSTRUCTION PHASE

2.1 Project Management

2.1.1 Record Documents: PM shall review, coordinate and expedite submittals of information from the Contractor for as-built record drawings and specification preparation and shall coordinate and expedite the transmittal of Record Documents to City. PM shall certify the as-built record drawings as required under this agreement.

2.1.2 Operation & Maintenance Manuals: Prior to the Final Completion of the Project, PM shall receive and verify completeness of manufacturers' operations and maintenance manuals, warranties and guarantees as received from the Contractor, and submit such documents to City.

2.1.3 Final Testing: PM shall assist City in obtaining an Occupancy Permit by accompanying governmental officials during inspections of the Project, preparing and submitting documentation to governmental agencies, and coordinating final testing and other activities.

2.1.4 Warranty Inspection: PM and General Contractor shall perform a warranty inspection ten months after final acceptance.

2.2 Cost Management

2.2.1 Change Orders: PM shall continue to provide services related to Change Orders, as required, during the Post-Construction Phase.



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SHEET 1 OF 1

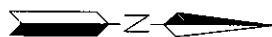
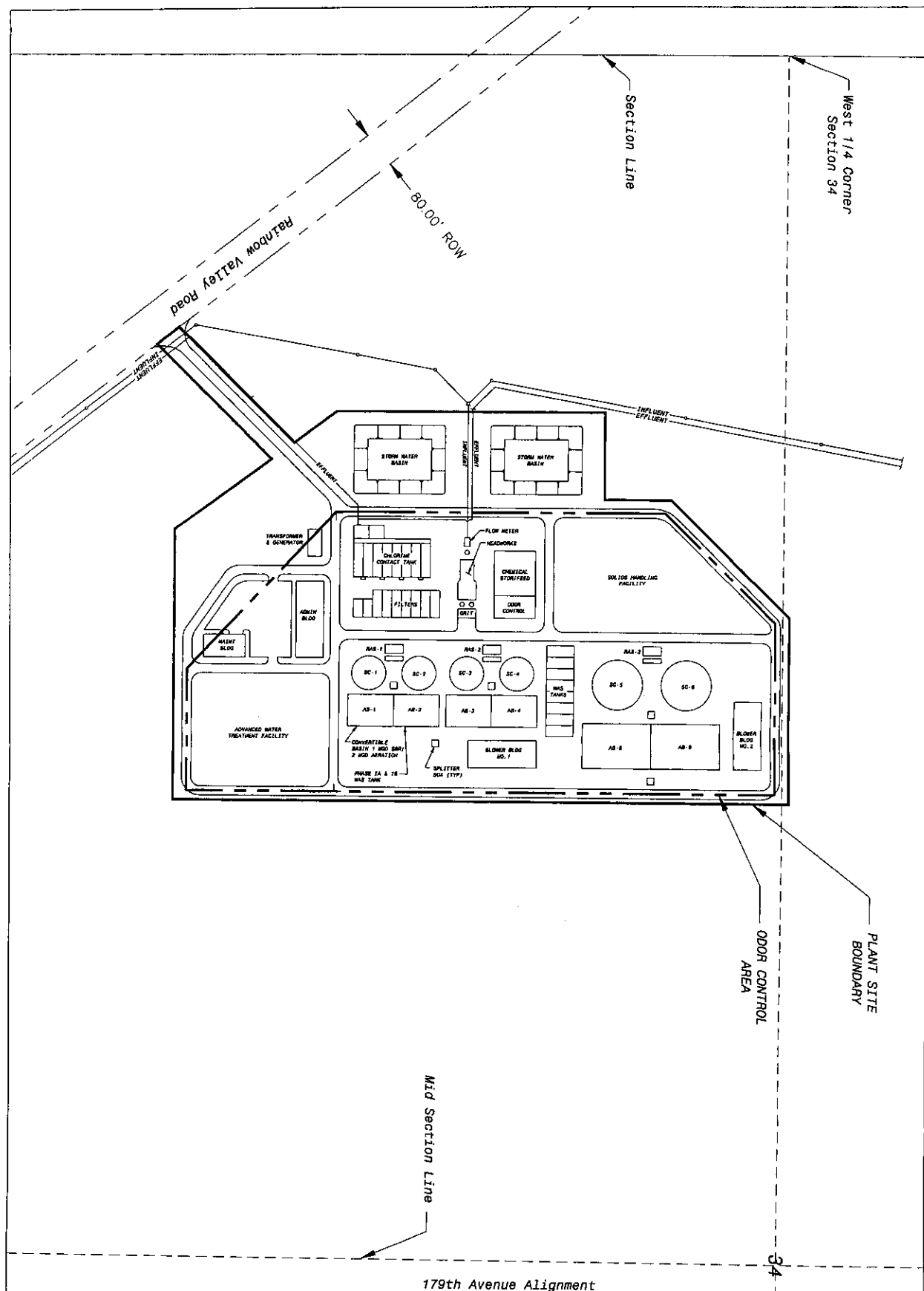
CMX JOB NO. 0292-01 DATE: 10/17/2002 SCALE: N.T.S.
DESIGNED: CMX DRAWN: CMX APPROVED: D.P.
REV.

RAINBOW VALLEY WATER RECLAMATION FACILITY SITE MAP
ESTRELLA MOUNTAIN RANCH
GOODYEAR, AZ

CMX GROUP INC.
ENGINEERING
PROJECT ADMINISTRATION
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GOODYEAR, ARIZONA

RAINBOW VALLEY WATER RECLAMATION FACILITY SITE PLAN

CMX PROJ.	6692.01
DATE:	10-17-02
SCALE:	1" = 200'
DRAWN BY:	
CHECKED BY:	